		FOR OHF USE					

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2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0024943

Facility Name: Milestone-Elmwood Heights

Address: 2662 Elmwood Road (Number) Rockford (City) 61103 (Zip Code)

County: Winnebago

Telephone Number: (815) 877-7001 **Fax #** (815) 654-6445

IDPA ID Number: 362769801001

Date of Initial License for Current Owners: 09/01/79

Type of Ownership:

[X]	VOLUNTARY,NON-PROFIT	[ ]	PROPRIETARY	[ ]	GOVERNMENTAL
[X]	Charitable Corp.	[ ]	Individual	[ ]	State
[ ]	Trust	[ ]	Partnership	[ ]	County
IRS Exemption Code	501 (c) 3	[ ]	Corporation	[ ]	Other
		[ ]	"Sub-S" Corp.		
		[ ]	Limited Liability Co.		
		[ ]	Trust		
		[ ]	Other		

In the event there are further questions about this report, please contact:
Name: Hugh Lippitt **Telephone Number:** (815) 654-6100

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 07/01/03 to 06/30/04 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) _____ (Date)
(Type or Print Name) Hugh W. Lippitt
(Title) Senior Vice President & C.F.O.

Paid Preparer
(Signed) _____ (Date)
(Print Name and Title)
(Firm Name & Address)
(Telephone) ( ) Fax # ( )

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4	84	Intermediate/DD	84	30,744	4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	84	TOTALS	84	30,744	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF					8
9	SNF/PED					9
10	ICF					10
11	ICF/DD	30,510			30,510	11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	30,510			30,510	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 99.24%

D. How many bed-hold days during this year were paid by Public Aid?
221 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
n/a

F. Does the facility maintain a daily midnight census? yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 09/04/79

J. Was the facility purchased or leased after January 1, 1978?
YES [ ] Date _____ NO [X]

K. Was the facility certified for Medicare during the reporting year?
YES [ ] NO [X] If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary _____

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 06/30/04 Fiscal Year: 06/30/04

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	A. General Services	1	2	3	4	5	6	7	8	9	10	
1	Dietary	125,014	12,995	1,298	139,307		139,307		139,307			1
2	Food Purchase		256,304		256,304		256,304		256,304			2
3	Housekeeping	145,949	76,076	9,868	231,893		231,893		231,893			3
4	Laundry		53,512		53,512		53,512		53,512			4
5	Heat and Other Utilities			148,248	148,248		148,248		148,248			5
6	Maintenance	141,270	217,298	19,094	377,662		377,662		377,662			6
7	Other (specify):*											7
8	**TOTAL General Services**	412,233	616,185	178,508	1,206,926		1,206,926		1,206,926			8
	B. Health Care and Programs											
9	Medical Director			12,000	12,000		12,000		12,000			9
10	Nursing and Medical Records	2,369,181	261,309	93,383	2,723,873		2,723,873		2,723,873			10
10a	Therapy											10a
11	Activities		41,508	160	41,668		41,668		41,668			11
12	Social Services											12
13	Nurse Aide Training	181,428			181,428		181,428		181,428			13
14	Program Transportation		17,344	3,771	21,115		21,115		21,115			14
15	Other (specify):*											15
16	**TOTAL Health Care and Programs**	2,550,609	320,161	109,314	2,980,084		2,980,084		2,980,084			16
	C. General Administration											
17	Administrative	56,457		82,675	139,132	(34,234)	104,898		104,898			17
18	Directors Fees											18
19	Professional Services			95,045	95,045		95,045		95,045			19
20	Dues, Fees, Subscriptions & Promotions			23,692	23,692		23,692		23,692			20
21	Clerical & General Office Expenses	120,707	36,239	26,959	183,905	34,234	218,139		218,139			21
22	Employee Benefits & Payroll Taxes			551,501	551,501		551,501		551,501			22
23	Inservice Training & Education			6,544	6,544		6,544		6,544			23
24	Travel and Seminar			11,357	11,357		11,357		11,357			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			44,607	44,607		44,607		44,607			26
27	Other (specify):*											27
28	**TOTAL General Administration**	177,164	36,239	842,380	1,055,783		1,055,783		1,055,783			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	3,140,006	972,585	1,130,202	5,242,793		5,242,793		5,242,793			29

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**
NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Milestone-Elmwood Heights #0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7	8	9	10	
30	Depreciation			199,568	199,568	6,151	205,719	(95,092)	110,627			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			1,495	1,495		1,495		1,495			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles			17,486	17,486	(4,193)	13,293		13,293			35
36	Other (specify):* **Alloc. Maint Bldg**			1,958	1,958	(1,958)						36
37	**TOTAL Ownership**			220,507	220,507		220,507	(95,092)	125,415			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			303,564	303,564		303,564		303,564			42
43	Other (specify):*											43
44	**TOTAL Special Cost Centers**			303,564	303,564		303,564		303,564			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	3,140,006	972,585	1,654,273	5,766,864		5,766,864	(95,092)	5,671,772			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(95,092)	30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (95,092)		$	30

OHF USE ONLY									
48		49		50		51		52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)			34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (95,092)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

Milestone-Elmwood Heights

ID# 0024943

Report Period Beginning: 07/01/03

Ending: 06/30/04

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1		$		1
2				2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	0		49

STATE OF ILLINOIS **Summary A**

Facility Name & ID Number Milestone-Elmwood Heights **#** 0024943 **Report Period Beginning:** 07/01/03 **Ending:** 06/30/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	0	0	0	0	0	0	0	0	0	0	0	0	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	0	0	0	0	0	0	0	0	0	0	5
6	Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	0	0	0	0	0	0	0	0	0	0	0	0	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Fees, Subscriptions & Promotions	0	0	0	0	0	0	0	0	0	0	0	0	20
21	Clerical & General Office Expenses	0	0	0	0	0	0	0	0	0	0	0	0	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	0	0	0	0	0	0	0	0	0	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	0	0	0	0	0	0	0	0	0	0	0	0	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	0	0	0	0	0	0	0	0	0	0	0	0	29

STATE OF ILLINOIS **Summary B**

Facility Name & ID Number Milestone-Elmwood Heights **#** 0024943 **Report Period Beginning:** 07/01/03 **Ending:** 06/30/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	(95,092)	0	0	0	0	0	0	0	0	0	0	(95,092)	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	(95,092)	0	0	0	0	0	0	0	0	0	0	(95,092)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	0	0	0	0	0	0	0	0	0	0	0	0	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(95,092)	0	0	0	0	0	0	0	0	0	0	(95,092)	45

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
N/A	N/A	See Pages 24 & 25				

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V		See Page 27	$			$	$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$			$	$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	N/A								$		1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Milestone, Inc.-Central Office
Street Address: 4060 McFarland Road
City / State / Zip Code: Rockford, IL 61111
Phone Number: (815) 654-6100
Fax Number: (815) 654-6444

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	1	Dietary Wages	Days	57,670	4	$ 235,145	$ 235,145	30,660	$ 125,014	1
2	1	Dietary Supplies	Days	113,880	31	48,267	0	30,660	12,995	2
3	2	Food Purchase	Days	113,880	31	951,986	0	30,660	256,304	3
4	3	Housekeeping Wages	Level of Care/Days	139,430	6	221,239	221,239	91,980	145,948	4
5	6	Maintenance Wages	Level of Care/Days	276,670	31	424,931	424,931	91,980	141,270	5
6	17	Administrative-Other	Level of Care/Days	8,834,400	36	330,863	0	2,207,520	82,675	6
7	21	Clerical Wages	Level of Care/Days	8,834,400	36	304,098	304,098	2,207,520	75,987	7
8	21	Office Supplies	Level of Care/Days	8,834,400	36	145,025	0	2,207,520	36,239	8
9	21	Telephone	Level of Care/Days	8,834,400	36	92,222	0	2,207,520	23,044	9
10	22	Fringe Benefits	Wages	13,942,578	37	2,448,834	0	3,140,006	551,502	10
11	35	Rent-Computer	Level of Care/Days	8,834,400	36	16,780	0	2,207,520	4,193	11
12	36	Rent Maintenance Building	Level of Care/Days	8,834,400	36	7,837	0	2,207,520	1,958	12
13										13
14										14
15										15
16		See Addendum A								16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 5,227,227	$ 1,185,413		$ 1,457,129	25

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	See Page 31				$2,159.00		$ 70,824	$ 2,187			$ 1,325	1
2												2
3												3
4												4
5												5
	Working Capital											
6	Amcore Bank N.A., Rockford		X	Line of Credit	N/A	7/23/01	5,000,000		1/10/05	4.0000	170	6
7												7
8												8
9	TOTAL Facility Related				$2,159.00		$ 5,070,824	$ 2,187			$ 1,495	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 5,070,824	$ 2,187			$ 1,495	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ _____ Line # _____

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2003 report.	***Important***, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	$	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		$	2
3. Under or (over) accrual (line 2 minus line 1).		$	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)		$	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**		$	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND $ For Tax Year.** **(Attach a copy of the real estate tax appeal board's decision.)**		$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1999		8
	2000		9
	2001		10
	2002		11
	2003		12

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2003	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, [illegible]

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Milestone-Elmwood Height COUNTY Winnebago

FACILITY IDPH LICENSE NUMBER 0024943

CONTACT PERSON REGARDING THIS REPORT Hugh W. Lippitt

TELEPHONE (815) 654-6100 FAX #: (815) 654-6444

A. **Summary of Real Estate Tax Cos**

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 200

	(A) Tax Index Numbe	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.			$	$
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$	$

B. **Real Estate Tax Cost Allocation**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services' _____ YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used

C. **Tax Bills**

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 200 tax bill which is normally paid during 2004

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 40,570 B. General Construction Type: Exterior Brick Frame Cement Block Number of Stories one

C. Does the Operating Entity? [X] (a) Own the Facility [ ] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [X] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [ ] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: 2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: 4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Project	261,356	1978	$ 105,000	1
2	Recreational Land	588,087	1978		2
3	TOTALS	849,443		$ 105,000	3

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	84		1980	1979	$ n/a	$ 94,122	30	$	$ (94,122)	$ n/a	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Kitchen Design Plan			1978	550		5			550	9
10	Intercom System			1978	12,716		10			12,716	10
11	Door Locking System			1978	14,081		10			14,081	11
12	Floor Tile			1979	2,870		10			2,870	12
13	Landscaping			1980	25,659		5			25,659	13
14	Sign			1980	725		5			725	14
15	Chain Link Fence			1980	1,377		5			1,377	15
16	Landscaping			1980	4,071		5			4,071	16
17	Storage Building			1980	8,471		5			8,471	17
18	Landscaping			1981	595		5			595	18
19	Bike Path, Parking Lot, Basketball Court			1982	22,944		15			22,944	19
20	Parking Lot Repairs			1982	2,216		15			2,216	20
21	Room Remodeling			1983	4,312		10			4,312	21
22	Concrete Slab for Shelter			1984	6,751		15			6,751	22
23	Park Shelter			1984	13,058		15			13,058	23
24	Driveway Maintenance			1984	2,201		5			2,201	24
25	Sewer Repair			1984	1,195	60	20	60		1,170	25
26	Landscaping-Trees			1985	1,677		5			1,677	26
27	Landscaping-Plantscape			1986	4,117		10			4,117	27
28	Sidewalk Concrete			1988	2,930	146	20	146		2,294	28
29	Sidewalk Improvements			1990	5,490	275	20	275		3,912	29
30	Parking Lot			1990	3,097	220	15	220		3,006	30
31	Parking Lot Repairs			1991	2,430	162	15	162		2,106	31
32	Roof			1992	3,969	198	20	198		2,405	32
33	Outdoor Drinking Fountain			1992	1,998	100	20	100		1,208	33
34	Telephone System			1992	9,600	800	12	800		9,534	34
35	Roof Repairs			1993	6,965	348	20	348		3,744	35
36	Sump Pumps			1993	4,721	196	10	196		4,721	36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Furnace	1994	$ 40,882	$ 2,044	20	$ 2,044	$	$ 19,768	37
38	Telephones	1994	3,111	259	12	259		2,528	38
39	Air Handler	1995	1,668		7			1,668	39
40	Above Ground Tank	1995	4,825	241	20	241		2,192	40
41	Concrete	1995	5,575	279	20	279		2,482	41
42	Furnace	1995	9,618	481	20	481		4,261	42
43	Roof	1995	1,290	65	20	65		565	43
44	Kitchen Sink	1995	1,300	65	20	65		564	44
45	Road Stone	1996	1,120		5			1,120	45
46	Air Conditioner	1996	2,476	124	20	124		960	46
47	Tile	1996	360		5			360	47
48	Sinks	1997	6,470	431	15	431		3,127	48
49	Flood Lights	1997	2,550	128	20	128		904	49
50	Air Conditioner	1997	4,055	203	20	203		1,436	50
51	Sidewalk	1997	6,691	335	20	335		2,342	51
52	Black Top Parking Lot	1997	85,125	5,675	15	5,675		39,725	52
53	Smoke Detectors	1997	16,100	1,073	15	1,073		7,334	53
54	Roof	1997	7,070	353	20	353		2,386	54
55	Counters	1997	3,706	247	15	247		1,627	55
56	Fire Alarm System	1998	3,660	183	20	183		1,174	56
57	Acoustical Ceiling	1998	1,650	83	20	83		530	57
58	Sidewalk Repair	1998	5,660	283	20	283		1,698	58
59	Duct Work	1998	1,017	51	20	51		305	59
60	Tile Repair	1998	650		5			650	60
61	Air Conditioner	1998	2,742	183	15	183		1,097	61
62	Carpet	1998	1,544	221	7	221		1,305	62
63	Driveway Repairs	1998	2,372	158	15	158		923	63
64	Roof	1998	2,000	100	20	100		575	64
65	Dry Valve	1998	1,540	154	10	154		885	65
66	Roof	1999	5,970	298	20	298		1,642	66
67	Dry Valve	1999	1,815	182	10	182		878	67
68	Tile	1999	2,600	520	5	520		2,383	68
69	Acoustical Ceiling	2000	6,750	337	20	337		1,376	69
70	TOTAL (lines 4 thru 69)		$ 414,748	$ 111,383		$ 17,261	$ (94,122)	$ 273,261	70

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 414,748	$ 111,383		$ 17,261	$ (94,122)	$ 273,261	1
2	Carpet	2000	12,538	2,508	5	2,508		9,550	2
3	Counter Tops	2000	1,622	108	15	108		396	3
4	Automatic Doors	2002	4,148	830	5	830		2,074	4
5	Tile	2002	2,760	552	5	552		1,334	5
6	Water Heater	2002	4,200	420	10	420		1,015	6
7	Water Heater	2002	8,135	1,627	5	1,627		3,589	7
8	Carpet	2002	2,232	446	5	446		857	8
9	Tile	2002	2,160	864	5	864		1,728	9
10	Cabinets	2003	2,449	163	15	163		177	10
11	Sump Pump	2003	7,218	722	10	722		782	11
12	Carpet	2003	8,950	1,790	5	1,790		1,790	12
13	Air Conditioner	2003	4,705	470	10	470		470	13
14	Carpet	2003	5,309	1,062	5	1,062		1,062	14
15	Cabinets	2003	2,409	147	15	147		147	15
16	Water Heater	2003	3,695	554	5	554		554	16
17	Acoustical Ceilings	2004	11,040	276	15	276		276	17
18	Carpet	2004	2,094	150	7	150		150	18
19	Remodel	2004	20,380	566	15	566		566	19
20	Carpet	2004	5,058	181	7	181		181	20
21	Remodel	2004	29,322	367	20	367		366	21
22	Heater	2004	4,660	78	10	78		78	22
23	Cabinets	2004	8,204	45	15	45		45	23
24	Capital Grant Building	1996		970			(970)		24
25	Allocated Maintenance Building			1,958		1,958			25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 568,036	$ 128,237		$ 33,145	$ (95,092)	$ 300,448	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 402,323	$ 46,558	$ 46,558	$	5-15 yrs	$ 257,859	71
72	Current Year Purchases	13,029	305	305		10 yrs	305	72
73	Fully Depreciated Assets	342,780					342,780	73
74	Allocated Computer System	N/A	4,193	4,193				74
75	TOTALS	$ 758,132	$ 51,056	$ 51,056	$		$ 600,944	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	See Page 30			$ 361,061	$ 26,426	$ 26,426	$		$ 344,219	76
77										77
78										78
79										79
80	TOTALS			$ 361,061	$ 26,426	$ 26,426	$		$ 344,219	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 1,792,229	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 205,719	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 110,627	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ (95,092)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 1,245,611	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92		$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease ____.

9. Option to Buy: ☐ YES ☐ NO Terms: ____ *

10. Effective dates of current rental agreement:
Beginning ____
Ending ____

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	$
13.	/2006	$
14.	/2007	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? ☐ YES ☒ NO

16. Rental Amount for movable equipment: $ 6,576 Description: copier
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Program	2002 Buick Park Avenue	$ 611.00	$ 6,717	17
18					18
19					19
20					20
21	TOTAL		$ 611.00	$ 6,717	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? [X] YES [ ] NO

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
- IN-HOUSE PROGRAM [X]
- IN OTHER FACILITY [ ]
- COMMUNITY COLLEGE [ ]
- HOURS PER AIDE 40

3. CLINICAL PORTION:
- IN-HOUSE PROGRAM [X]
- IN OTHER FACILITY [ ]
- HOURS PER AIDE 80

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)	16,508	33,025		49,533
4	Clinical Wages (b)	40,451	67,532		107,983
5	In-House Trainer Wages (c)	8,574	15,338		23,912
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$ 65,533	$ 115,895	$	$ 181,428
10	SUM OF line 9, col. 1 and 2 (e)	$ 181,428			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	92
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	111
2. From other facilities (f)	
TOTAL TRAINED	203

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist		hrs	$		$	$		$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescrpts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			$		$	$		$	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

STATE OF ILLINOIS

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 **Report Period Beginning:** 07/01/03 **Ending:** 06/30/04

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 06/30/04 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 1,600	$ 2,444,195	1
2	Cash-Patient Deposits	26,993	118,421	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	455,933	1,656,679	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance		4,911	6
7	Other Prepaid Expenses	822	43,143	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Other A/R		15,015	9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 485,348	$ 4,282,364	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	151,429	1,304,389	13
14	Buildings, at Historical Cost	3,406,249	15,796,433	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	1,476,369	4,993,914	16
17	Accumulated Depreciation (book methods)	(3,844,150)	(11,296,337)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	81,448	115,573	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(81,448)	(112,434)	20
21	Restricted Funds		1,185,300	21
22	Other Long-Term Assets (spe Escrow & Loan fees		705,967	22
23	Other(specify): cash surrender value of life ins.		32,478	23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 1,189,897	$ 12,725,283	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,675,245	$ 17,007,647	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 15,145	$ 408,595	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	26,994	118,421	28
29	Short-Term Notes Payable	3,711	14,060	29
30	Accrued Salaries Payable		572,307	30
31	Accrued Taxes Payable (excluding real estate taxes)		186,866	31
32	Accrued Real Estate Taxes(Sch.IX-B)			32
33	Accrued Interest Payable		109,323	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Pension,Wrkmns Comp, Sec Dep, etc		651,427	36
37	Intercompany A/P	2,005,226		37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 2,051,076	$ 2,060,999	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		2,762,999	40
41	Bonds Payable		3,560,000	41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$ 6,322,999	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 2,051,076	$ 8,383,998	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (375,831)	$ 8,623,649	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 1,675,245	$ 17,007,647	48

***(See instructions.)**

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ (101,099)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ (101,099)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(274,732)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	( )	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (274,732)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ (375,831)	24 *

*** This must agree with page 17, line 47.**

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 5,362,384	1
2	Discounts and Allowances for all Levels	( )	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 5,362,384	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements	129,648	11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 129,648	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***		25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Provided information	100	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 100	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 5,492,132	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	1,206,925	31
32	Health Care	2,980,084	32
33	General Administration	1,055,784	33
	B. Capital Expense		
34	Ownership	220,507	34
	C. Ancillary Expense		
35	Special Cost Centers		35
36	Provider Participation Fee	303,564	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 5,766,864	40
41	**Income before Income Taxes (line 30 minus line 40)****	(274,732)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (274,732)	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.** **See Page 28**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,323	1,569	$ 38,908	$ 24.80	1
2	Assistant Director of Nursing					2
3	Registered Nurses	1,788	2,016	43,260	21.46	3
4	Licensed Practical Nurses	12,856	14,501	270,147	18.63	4
5	Nurse Aides & Orderlies					5
6	Nurse Aide Trainees	20,224	20,224	181,428	8.97	6
7	Licensed Therapist	383	383	24,882	64.97	7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants					10
11	Social Service Workers					11
12	Dietician					12
13	Food Service Supervisor	740	875	21,847	24.97	13
14	Head Cook					14
15	Cook Helpers/Assistants	9,286	10,256	103,167	10.06	15
16	Dishwashers					16
17	Maintenance Workers	9,342	10,566	141,270	13.37	17
18	Housekeepers	14,629	16,538	145,949	8.83	18
19	Laundry					19
20	Administrator	1,777	2,080	56,457	27.14	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager	4,017	4,662	75,987	16.30	23
24	Clerical	3,757	4,196	44,720	10.66	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)	20,406	23,178	369,972	15.96	28
29	Resident Services Coordinator	2,523	2,918	43,869	15.03	29
30	Habilitation Aides (DD Homes)	140,677	153,392	1,578,143	10.29	30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	243,728	267,354	$ 3,140,006 *	$ 11.74	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	41	$ 1,298	1-3	35
36	Medical Director	120	12,000	9-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	60	2,100	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant				44
45	Social Service Consultant				45
46	Other(specify) Dental	245	12,264	10-3	46
47	Psychologist/Psychiatrist	523	61,600	10-3	47
48	Religious/Education	8	160	11-3	48
49	TOTAL (lines 35 - 48)	997	$ 89,422		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses	583	$ 17,419	10-3	50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)	583	$ 17,419		53

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Linda Thornbloom	Administrator	0	$ 56,547
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			$ 56,547

B. Administrative - Other

Description	Amount
Administrator	$ 27,724
Assistant Administrator	20,717
Accountant	25,122
Secretary	9,112
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)	$ 82,675

C. Professional Services

Vendor/Payee	Type	Amount
Ryan & Assoc. & Peggy Brechon	administrtive	$ 9,225
Various	computer/programming	1,651
Lindgren, Callihan & VanOsdol	audit	5,063
Various	legal fees	79,106
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed $2500 attach copy of invoices.)		$ 95,045

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 59,841
Unemployment Compensation Insurance	5,917
FICA Taxes	229,268
Employee Health Insurance	175,273
Employee Meals	0
Illinois Municipal Retirement Fund (IMRF)*	0
Employee Assistance Program	0
Pension	67,563
Employee Physical Exams	1,574
Applicant Referral Expense	1,419
Other Employee Benefits	10,646
TOTAL (agree to Schedule V, line 22, col.8)	$ 551,501

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	20,205
Health Care Worker Background Check	1,014
(Indicate # of checks performed 73)	
Fees	1,499
Subscriptions	205
Books & Periodicals	769
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 23,692

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	
See Page 26	11,357
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 11,357

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1			$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

Facility Name & ID Number Milestone-Elmwood Heights # 0024943 Report Period Beginning: 07/01/03 Ending: 06/30/04

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **No**
If YES, give association name and amount.

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report?

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity?

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 years**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **N/A** Line

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease.

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **303,564**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **N/A** Has any meal income been offset against related costs? Indicate the amount. $

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $
c. What percent of all travel expense relates to transportation of nurses and patients? **100%**
d. Have vehicle usage logs been maintained? **Yes**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **No -see page 29**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report?
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $

(17) Has an audit been performed by an independent certified public accounting firm? **Yes**
Firm Name: **Lindgren, Callihan, VanOsdol Ltd.** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **Yes** If no, please explain.

(18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.

SCHEDULE VII-A: BOARD MEMBER LISTING

NAME	*TITLE*	*TYPE OF SERVICE PROVIDED TO FACILITY*	*OWNERSHIP INTEREST IN*
Patrick Agnew	Director	Legal	Agnew Law Office
Ronald Alden	Director	Pension Accounting	McGladrey & Pullen
George Bass	Director	Insurance	Country Companies
Thomas Budd	Treasurer		
Lyla DeVerdi	Director	N/A	
Alan Furman	Director	N/A	
James Hamilton	President & C.E.O.	Administrative Services	
Peggy Hanson	Director	N/A	
Jack Kieckhefer	Director	Insurance	Kieckhefer & Nelson
Rick Powell	Secretary	N/A	
David Raht	Director	Insurance	Williams Manny
Tom Sandquist	Vice Chairperson	Legal	Williams & McCarthy
Shawn Way	Chairperson	Banking	Amcore Bank Rockford
Audrey Wickstrand	Director	N/A	

SCHEDULE VII-A: RELATED PARTIES

MILESTONE, INC.	RESIDENTIAL *BEDS*	*CITY*	TYPE OF *BUSINESS*
Central Office	N/A	Rockford	Central Office
Elmwood Heights	84	Rockford	ICF/MR-SLC
Elmwood East	12	Rockford	ICF/DD<16 & Fewer
Searles	12	Rockford	ICF/DD<16 & Fewer
Sun Valley	8	Rockford	ICF/DD<16 & Fewer
Javelin I	8	Rockford	C.R.A. - Waiver/C.I.L.A. Services
Applewood	8	Loves Park	C.R.A. - Waiver/C.I.L.A. Services
Belvidere*	8	Belvidere	C.R.A. - Waiver/C.I.L.A. Services
Orchard	8	Rockford	C.R.A. - Waiver/C.I.L.A. Services
Training Center	N/A	Rockford	Developmental Training
Industries	N/A	Loves Park	Developmental Training
RocVale Childrens Home	50	Rockford	Child Care Institute/DCFS
Dierks	8	Rockford	C.I.L.A. Services
C.I.L.A.	N/A	Rockford	C.I.L.A. Services
Windcloud	5	Rockford	C.I.L.A. Services
Prospect	5	Rockford	C.I.L.A. Services
Hanford	5	Rockford	C.I.L.A. Services
Rural	5	Rockford	C.I.L.A. Services
Flintridge	5	Rockford	C.I.L.A. Services
Old Golf	4	Loves Park	C.I.L.A. Services
Creekside	5	Rockford	C.I.L.A. Services
Javelin II	5	Rockford	C.I.L.A. Services
Windpoint	5	Rockford	C.I.L.A. Services
Riverside	5	Rockford	C.I.L.A. Services
Weymouth	5	Rockford	C.I.L.A. Services
Fleetwood	5	Rockford	C.I.L.A. Services
Stornway	5	Rockford	C.I.L.A. Services
Shiloh	4	Rockford	C.I.L.A. Services
Black Oak	5	Rockford	C.I.L.A. Services
Donna Drive	8	Rockford	C.I.L.A. Services
Respite Services	N/A	Rockford	Respite Services
Sawgrass	6	Rockford	C.I.L.A. Services
Crested Butte	6	Rockford	C.I.L.A. Services
Dental Program	N/A	Rockford	Dental Services
Thyme	6	Rockford	C.I.L.A. Services
Tulip	5	Rockford	C.I.L.A. Services
Packard	5	Rockford	C.I.L.A. Services
Country Club	5	Rockford	C.I.L.A. Services
HUD Project #071-EH003	N/A	Rockford	Housing
HUD Project #071-EH059	N/A	Rockford	Housing
HUD Project #071-EH178	N/A	Rockford	Housing
Bingo & Pull Tabs	N/A	Rockford	Bingo & Pull Tabs

* Closed 05/07/03

SCHEDULE OF TRAVEL & SEMINAR EXPENSE

	EMPLOYEE NAME	JOB TITLE	DATES	SEMINAR LOCATION	SEMINAR TITLE	SEMINAR SPONSOR	CHECK #	COST
1.	Melody Mills	Admin. Asst.	10/20/03	Rockford, IL.	Management Skills for Secretaries , Admin. Assistants & Support Staff	Fred Pryor Seminars	84528	179.00
2.	Cheri Pruitt	LPN	09/16/03	Northbrook, IL.	Preventing a Crisis! Subclinical Signs of Impending Doom	PESI Healthcare	84518	884.00
	Linda Joseph	LPN						
	Linda Hoffman	LPN						
	Vickie Chandler	LPN						
	Peggy Jones	LPN						
	Kristi Martin	LPN						
3.	Paola Cruz	QMRP	11/18/03	Rockford, IL.	Powerful Communication	National Seminars Group	85625	278.00
	Dana Harmon	QMRP						
4.	Garnett Smith	LPN	10/1/03	Chicago, IL.	Neurological Syndromes (EPS & TD) and Antipsychotic Agents	NIDDNN	85018	30.00
	Linda Joseph	LPN						
	Cheri Pruitt	LPN						
5.	Joanna Grahn	Program Director	9/30/03	Rockford, IL.	Barbara Doyle	NIA	85019	135.00
	Paola Cruz	QMRP						
	Lanard Nolan	Technician						
6.	Virginia Lake	Team Leader	10/9/03	Rockford, IL.	Criticism & Discipline Skills	National Seminars Group	85020	195.00
7.	Lauri Krull	QMRP	11/3/03 & 11/5/03	Rockford, IL.	Beginning Excel Part 1	Abilities Center	85689	30.00
8.	Julie Meyer	QMRP	10/8/03	Naperville, IL.	Supporting a New Vision	Achievement Systems	85184	75.00
9.	Melody Mills	Admin. Asst.	12/10/03	Rockford, IL.	Microsoft Office Workshop	Careertrack Seminars	85571	59.00
10.	Ken White	Home Coordinator	2/24/04	Rockford, IL.	Self-Discipline and Emotional Control	Careertrack Seminars	86518	199.00
11.	Linda Willstead	RN	11/5/03	Bloomington, IL.	Improving Clinical Documentation Skills	Cross Country University	85704	298.00
	Peggy Jones	LPN						
12.	Julie Meyer	QMRP	12/10/03	Itasca, IL.	Preventing Abuse & Neglect	The Arc of Illinois	85782	200.00
	Marie Lindgren	Res. Service Provider					85932	
13.	Charu Menon	Kitchen Director	9/9/03	Rockford, IL.	Nutrition and Management Course	Nutrition Dimension in Eureka CA	85614	89.00
14.	Eshawnial Lowry	Cook	6/23/03	Rockford, IL.	Food Service Sanitation Manager Certification	Illinois Dept. of Public Health	85499	134.00
15.	Alex Ariri	Technician	12/31/03	Rockford, IL.	Practical Nursing: Pharmacolo Practical Nursing: Fundamentl Independent Study Management Nursing Thru:Mental Health Nursing Thru:Concep-Adolesc Nursing Thru:Young-Mid Adult	Rock Valley College	86699 89268	405.00 459.00
16.	Linda Thornbloom	Admin.	3/12/04 10/1/04	Naperville, IL.	The 2004 NHA Seminars Staff and Team Building	Another Answer	87508	298.00
17.	Stacie Geiken	Secretary	3/16/04	Rockford, IL.	A+ Software Training	New Horizons	88116	2,500.00
18.	Linda Willstead	RN	3/25/03 & 3/26/03	Rockford, IL.	Nurses Expo '04	The University of Illinois University Outreach and Public Service	87770	240.00
	Linda Joseph	LPN						
	Kristi Martin	LPN						
19.	Marie Lindgren	Res. Service Provider	04/27/04	Rockford, IL.	Creative Leadership Crash Course	National Seminars Group	87555	195.00
20.	Linda Willstead	RN	1/28/04	Rockford, IL.	Assessing & Documenting Competency	Cross Country University	86925	179.00
21.	Lauri Krull	QMRP	3/10/04	Tinley Park, IL.	Survey Survival Training Workshop	ICAN	87747	522.00
	Linda Thornbloom	Admin.						
	Linda Willstead	RN						
22.	Vickie Chandler	LPN	3/3/04	Rockford, IL.	Clinical Assessment of Respiratory, Cardiac & Neurological Status	PESI Healthcare	87200	278.00
23.	Robert Gould	Home Coordinator	2/24/04	Rockford, IL.	Computer Training	Future Horizons	88104	145.00
24.	Charu Chitale-Menon	Kitchen Director	3/24/04	Rockford, IL.	Diet Revolution Seminar	Med 2000, Inc.	88624	94.00
25.	Linda Willstead	RN	4/14/04	Springfield, IL.	Resources for Success 2004	IL Health Care Assoc.	88989	230.00
	Lorrie Bothwell	ADON						
26.	Chelsea Harrington	Technician	6/03/04	Rockford, IL.	The Developing Child & Beginning Spanish	Rock Valley College	89165	459.00
27.	Jessica Shipley	Technician	6/17/04	Rockford, IL.	Reading & Office	Rock Valley College	89488	306.00
28.	Terrie Sharp	Training Coordinator	8/12/04	Rockford, IL.	How to be a Better Trainer	Rockhurst University Continuing Education Center, Inc.	89694	199.00
29.	Lorrie Bothwell	ADON	4/21/04	Rockford, IL.	2004 Illinois Nursing Law	Southwest Seminars	88228	177.00
	Vickie Chandler	LPN						
	Garnett Smith	LPN						
30.	Lauri Krull	QMRP	4/29/04	Itasca, IL.	Fundamentals: Home Work Family and Friends	The Arc of Illinois	88502	115.00
31.	Cheri Pruitt	LPN	8/26/04	Rockford, IL.	Preventing a Crisis! Subclinical Signs of Impending Doom	PESI Healthcare	89572	435.00
	Linda Joesph	LPN						
	Linda Willstead	RN						
32.	Jim Hamilton	President & C.E.O.	9/7/03	Chicago, IL	Meals and Lodging for Conference		85614	197.80
			10/13/03	Chicago, IL	Meals and Lodging for Conference		86192	247.69
			11/12/03	Chicago, IL	Meals and Lodging for Conference		86741	271.16
			12/01/03	Springfield, IL	Meals and Lodging for Conference		86741	326.44
			01/13/04	Springfield, IL	Meals and Lodging for Conference		87660	293.22
						Total		11,357.31

RECLASSIFICATION - SCHEDULE V. COLUMN 5

SCHEDULE V Line #	Title	Amount
17	Administrative	(34,234.00)
21	Clerical	34,234.00
		0

To reclassify accountant's & secretary's wages and payroll taxes on administrative personnel purchased at cost from Milestone Foundation, Inc.

30	Depreciation	4,193.00
35	Equipment Rent	(4,193.00)
		0

To reclassify rental of Computer from Milestone, Inc. Central Office.

30	Depreciation	1,958.00
36	Rent-Maintenance Building	(1,958.00)
		0

To reclassify rental of Maintenance Building from Milestone, Inc. Central Office.

Schedule of Federal Form 990 Reconciliation

Page 19, Line 41	($274,732)	
	$1,219,974	Related Organizational Net Income
Federal Form 990 Net Income	$945,242	

Schedule XX, Line 16 - E

Due to the varied hours worked by the administrator (early morning and late evening meetings) he is allowed to take the company vehicle home at night. Accordingly, he has a payroll deduction for any consequent personal use of the vehicle.

All other vehicles are stored at the facility when not in use.

Asset Listing - VEHICLES

Description	*Date Acquired*	*Cost*		*Current Book Depreciation*	*Life in Years*	*Straight Line Depreciation*	*Adjustments*	*Accumulated Depreciation*
94 Ford Van - E350	06/14/94	17,669.00		0.00	S/L - 3YR	0.00		17,669.00
96 Ford Cargo Van	02/14/96	18,667.50		0.00	S/L - 3YR	0.00		18,667.50
96 Ford F-150 P/U Truck	07/09/96	15,673.50		0.00	S/L - 3YR	0.00		15,673.50
96 Ford Club Wagon	08/13/96	22,617.24		0.00	S/L - 3YR	0.00		22,617.24
97 Ford Eldorado Bus	04/01/97	45,770.00		0.00	S/L - 3YR	0.00		45,770.00
97 Ford Eldorado Bus	08/06/97	45,770.00	(A)	0.00	S/L - 3YR	0.00		45,770.00
99 Ford Pick-Up	12/22/98	15,659.20		0.00	S/L - 3YR	0.00		15,659.20
99 Ford Van	12/22/98	23,752.40		0.00	S/L - 3YR	0.00		23,752.40
99 Windstar	04/12/99	17,349.35		0.00	S/L - 3YR	0.00		17,349.35
2000 Ford Van E-350	02/17/00	24,268.65		0.00	S/L - 3YR	0.00		24,268.65
2000 Ford Van	04/13/00	24,382.80		0.00	S/L - 3YR	0.00		24,382.80
94 Chevy Blazer	01/08/01	10,722.00		1,787.10	S/L - 3YR	1,787.10		10,722.00
92 GMC Pick-Up	01/08/01	6,943.00		1,157.20	S/L - 3YR	1,157.20		6,943.00
02 Ford Van E-350	08/30/01	24,646.80		8,215.56	S/L - 3YR	8,215.56		23,962.05
02 Ford Van E-350	08/17/01	24,646.80		8,215.56	S/L - 3YR	8,215.56		23,962.05
04 Ford Crown Victoria	09/30/03	21,529.92		5,382.54	S/L - 3YR	5,382.54		5,382.54
04 Ford Truck F150	04/15/04	18,522.72		1,543.56	S/L - 3YR	1,543.56		1,543.56
Van Lift	06/17/04	3,735.00		62.25	S/L - 5YR	62.25		62.25
Van Lift	06/17/04	3,735.00		62.25	S/L - 5YR	62.25		62.25
Less: A) FY 1997 DMHDD Capital Grant - Equipment		(25,000.00)						(25,000.00)
B) Disposals								
C) Gain on Sale of Fixed Assets								
TOTALS		361,060.88		26,426.02		26,426.02		319,219.34

Interest Expense Schedule

NOTEHOLDER	*RELATED PARTY* YES	NO	*PURPOSE OF LOAN*	*MONTHLY PAYMENT REQUIRED*	*DATE OF NOTE*	*AMOUNT OF NOTE* ORIGINAL	BALANCE	*MATURITY DATE*	*INTEREST RATE*	*REPORTING PERIOD INTEREST EXPENSE*
Amcore Bank Rockford		X	2004 Crown Victoria	635.57	09/30/03	21,529.92	0.00	09/30/06	3.99%	401.32
Amcore Bank Rockford		X	2002 Ford Van	761.50	08/17/01	24,646.80	1,491.00	08/20/04	7.00%	438.00
Amcore Bank Rockford		X	2002 Ford Van	762.00	08/29/01	24,646.80	696.00	09/05/04	7.00%	486.00
			TOTALS	2,159.07		70,823.52	2,187.00			1,325.32

SCHEDULE OF LEGAL FEES

Williams & McCarthy

Date	Check #	Amount
08/21/03	84552	45.00
08/28/03	84692	67.50
11/24/03	86495	525.00
01/08/04	86894	105.00
04/15/04	88482	62.10
06/10/04	89380	1,721.64
07/08/04	89821	105.00
		2,631.24

Hinshaw & Culbertson

Date	Check #	Amount
08/28/03	84609	420.20
10/09/03	85350	1,732.12
11/06/03	85826	3,535.66
01/22/04	87071	9,046.70
02/12/04	87414	2,027.71
03/11/04	87862	3,201.45
04/08/04	88300	3,362.16
05/13/04	88852	14,101.43
06/14/04	89308	13,134.06
07/08/04	89755	8,590.08
		59,151.57

Duane Morris LLP

Date	Check #	Amount
04/01/04	88200	10,631.00
04/22/04	88556	1,551.60
05/27/04	89086	91.55
07/08/04	89773	4,892.74
07/29/04	90093	156.00
		17,322.89

Total Legal Fees	79,105.70

See addendum B for Copies of the Invoices

SCHEDULE OF IN-SERVICE TRAINING

CHECK DATE	*CHECK #*	*AMOUNT*	*VENDOR*	*DESCRIPTION*
10/23/03	85558	398.00	American Red Cross	CPR & First Aid Training Materials
10/09/03	85302	464.00	American Red Cross	CPR & First Aid Training Materials
11/06/03	85779	218.00	American Red Cross	CPR & First Aid Training Materials
06/17/04	89391	172.00	American Red Cross	CPR & First Aid Training Materials
07/24/03	83994	500.00	Alan Burkard	Consultation Fee for Workshop "Active Listening Skills"
12/04/03	86246	150.00	Brookside Immediate	Seminar Training Fee for Nursing Staff on Decubitus Care
07/08/04	89730	150.00	Brookside Immediate	Seminar/Training Fee
11/06/03	85832	100.00	Integrated Home Care	In-Service on Nebulizers, CPT and Suctioning
10/16/03	85507	125.00	Midway Village & Museum	Rental Fee for the Building to hold Seminar
03/11/04	87933	34.95	The Staywell Co.	Q training materials
02/18/04	87569	544.60	RAMP	Training Materials and Session Fees
05/20/04	88975	270.00	Kathryn Keller	Communication Skills Workshop
03/25/04	88104	78.03	Amazon.com	Books for QMRP Training
06/24/04	89558	1,908.00	Crisis Prevention Institute, Inc.	Training Materials-NCI Participant Workbooks
12/31/03	86741	1,431.00	Crisis Prevention Institute, Inc.	Training Materials-NCI Participant Workbooks
	Total	6,543.58		

ADDENDUM
A

ADDENDUM

B